

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 01-0249P

Use Tax

Calendar Years 1998, 1999, and 2000

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is an industrial processor located in Indiana. At audit, it was determined that the taxpayer failed to self assess and pay use tax on clearly taxable items. Taxpayer had no use tax accrual system in place for 1998 and 1999.

Taxpayer failed to remit use tax on clearly taxable items such as subscriptions, utilities, office supplies, janitorial supplies, tools, and other miscellaneous items.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's audit report revealed that it failed to remit use tax on clearly taxable items and the taxpayer had no use tax accrual system in place.

Taxpayer states it files its tax returns and payments in a timely manner and feels IC 6-8.1-6-1 would not be applicable. It has implemented a program to pick up items of the nature included in the audit report. A penalty waiver is requested.

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Taxpayer made no attempt to self assess use tax on clearly taxable purchases and had no use tax accrual system in place. Taxpayer did not provide reasonable cause to allow a waiver of the penalty.

FINDING

Taxpayer's protest is denied.

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